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AMBASSADOR FREEMAN'S MAIN TALKING POINTS

I- INTRODUCTION

- General _____ I am very pleased to be back in China, not only because I have many old friends here from my years of association with China, but because my visit represents the first high level United States defense visit to China since 1989.
- Before I begin, I would like to introduce to you the members of my delegation. (*introductions*)
- As many of you remember, U.S.-China military relations during most of the 1980s flourished and became a significant component of our bilateral relationship. I was fortunate to be posted here at the Embassy when former Secretary of Defense Caspar Weinberger visited China in September 1983, during which time many programs of cooperation began.
- The past few years have been, of course, very difficult for the military relationship. In fact, defense dialogue at our level has not existed until today, and contacts have been very limited.
- Because of this lack of contact, mutual mistrust and misunderstanding grew among our two militaries.
- A key objective of my visit is to try to use the revival of military contacts to help reestablish the trust and mutual understanding necessary for great powers to get along and to cooperate. Our ability to do that will be beneficial to peace and stability in the world today.
- I am here to reinitiate high level military dialogue and military-to-military contacts, but not to return our military relationship to the way it was in early 1989. I have a sense that your idea of a future military relationship may be different than that of the 1980s also.
- Much has happened since that time: the collapse of the Berlin Wall, the dissolution of the Soviet Union, the appearance of several volatile regional problems, and the emergence of a new world which is vastly different than in the Cold War days.
- In addition, there is the astonishing economic development of China and the growing interconnection of your economy with ours.
- But one cannot deny the fact that the events of June 1989 affected the psyche of the American people, and subsequent events have affected how each military views each other.

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- Therefore, on this trip, I would like to be able to engage in an exchange of views on how we each envision a future military relationship. I would also like to discuss with you in some depth certain bilateral and multilateral issues. And as I said, through this dialogue and subsequent contacts which we could agree to during my visit, trust and mutual understanding can begin to be rebuilt.
- Before I continue, do you wish to make some introductory points?

(let Chinese speak—they may just say a few words and let the "guest" continue)

II-CONTEXT

- I think that you will agree that our bilateral relationship overall is still encountering some obstacles. The United States wants to work with China to overcome these obstacles and to establish the type of relationship that enables us to overcome future obstacles more easily.
- You know that we have disagreements in *human rights*, in *proliferation*, and in *trade* matters. I believe that in each of these areas, a good military relationship between us can help us solve the problems.
- On *human rights*, the President has stated that there must be progress when he considers the renewal of China's Most Favored Nation status next spring. As a person who understands China very well and who qualifies as a friend of China, I can assure you that what we are talking about is not an imposition of western values on China. We are talking about a universal standard of human rights.
- We recognize you have a different system of government and have a difficult job managing a country of over 1 billion citizens towards a modern future. We feel, however, that a more tolerant attitude toward peaceful dissent would make China stronger, not weaker, and its citizens more self-assured, not less.
- I received a report from Assistant Secretary Shattuck on his human rights dialogue here three weeks ago. He was encouraged by the dialogue during his visit, and I hope that continued dialogue and follow-up action will help us hurdle this obstacle.
- We recognize that the PLA is a most influential institution in China. And I hope you agree that an inability by the President to extend MFN in 1994 would be detrimental to the bilateral relationship and hence any military relationship. Therefore, I urge you to use that influence in this area.
- As for *arms sales*, I know that the PLA has a great deal of influence in these decisions in China. I want to state very clearly at the outset that China has

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every right to sell arms abroad. But I think that a careful examination of the U.S. position reveals that our differences have revolved around our concern that weapons of mass destruction and their means of delivery, specifically ballistic missiles—which are in our view in a totally different and very destabilizing category—have been transferred by China.

- The President has placed a very high priority on non-proliferation policy, and Secretary Aspin views proliferation as one of the most dangerous developments in the post-Cold War period. This is why he has named a new Assistant Secretary of Defense, Mr. Ash Carter, to be responsible for counterproliferation policy and nuclear security.
- Deputy Assistant Secretary Wallerstein works for Mr. Carter, and I would now like to have Mr. Wallerstein give you some sense of how USG views the problem of proliferation and what policy we are developing to cope with it.

(*Mitch will present a few points on U.S. counterproliferation policy--TAB D*)

- China's own statistics point out that Chinese arms sales account for a very small portion of worldwide arms sales. Hence you can see that arms sales gains by China are very small in comparison to the tremendous benefit which unimpeded trade and improved technology transfer can mean to China.
- It is not the case of the United States telling you what to do, but it is the case of a world fraught with regional troubles and increasingly aware of the dangers of proliferation. We are optimistic that China, as a world leader and a responsible and equal member of the world community, will see that counter-proliferation policies can only be effective if China works with other arms providers in curbing transfers of missile, nuclear, chemical and biological weapons technology. Since China has said many times it supports the principle of non-proliferation, I am fully confident this issue can be resolved.
- I hope that through high level military dialogue, the PLA will better understand our views in this area, and that we will better understand the Chinese decision-making process on these sales. Transparency through consultation will establish mutual understanding.
- I urge you to begin consultations with us as quickly as possible on a quiet, pragmatic basis to work through the Pakistan M-11 problem. A non-paper on how we view this solution was passed to you in August. It is important for both of us to put this behind us as we look forward to a better military relationship. I hope that the PLA can help on this issue.
- It is unfortunate that China could not arrange for Assistant Secretary of State Robert Gallucci to come to Beijing in September, but he remains ready to

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discuss with you a broad range of non-proliferation matters, including the M-11 issue.

- While we are talking proliferation, let me make a point on *nuclear testing*. As you know, the President placed a moratorium on our testing early this summer. This is why we were very disappointed that China went ahead with a nuclear test in October.
- The U.S. remains committed to completing the comprehensive test ban treaty (CTBT) by 1996 and urges China to refrain from further nuclear tests and join the other nuclear powers in a global moratorium.
- If all states observe a moratorium, it would put us in the best position for successfully completing a multilateral CTBT by 1996 and for achieving the indefinite extension of the Nuclear Non-proliferation Treaty in 1995. All these are critical in the global effort to curb nuclear proliferation.
- We hope and expect that China will help to bring about a CTB and carry through on the commitment that was made to Secretary Christopher to seek to negotiate such a treaty by 1996—a goal we both share.
- China and the United States have a special role to play, to set an example to curb the aspirations of countries who may want to own nuclear weapons. Your recent test caused concern in many capitals, especially, I might add, in Seoul where it is very worried about the impact of China's nuclear policy on North Korean nuclear policy. The world is waiting to see if a CTBT can be negotiated. I hope China and the United States can cooperate on this issue.
- On *trade*, we would like to see those problems resolved also. In addition, we hope that sanctions imposed in 1989 can be lifted soon, together with the missile sanctions I mentioned above, so that your society can benefit from U.S. technology as you modernize, and our businesses can benefit from the transactions.
- Later on, Deputy Assistant Secretary Wallerstein will have more to say about what the Department of Defense is doing in the area of export control. I am sure that is of interest to you. He will let you know the status of some export control cases which I know are of interest to you. I understand he is also staying on Tuesday afternoon after my departure to have further dialogue on this subject with some other Chinese government officials.

III- MILITARY RELATIONS

- Now let me comment specifically about the military relationship. I will briefly outline for you what the United States' view is on a future U.S.-China military relationship.

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- Let me preface my statements by saying that the Department of Defense, from the top down, including uniformed Services, our Pacific Command, and the Joint Chiefs of Staff, are supportive of improving military relations with the PLA. Our Deputy Secretary, Dr. Perry, is an old friend of China well-known to all of you, and you will be pleased that he is personally overseeing the Department of Defense's effort in this direction.
- We would like to see a military relationship based on dialogue and on cooperation in both professionalization and matters which contribute to the resolution of security problems. We also would like to see an economic dimension to the military relationship—this is why Dr. Perry has proposed a cooperation in defense conversion between our two countries.
- Our ultimate goal is to establish trust and mutual understanding. This can be done through exchanges, through dialogue, through cooperation, and through frequent contacts. And we need to work together to pick the areas of engagement, so that mutual benefits can be derived.
- In the past, if you recall, we based our military relationship on the "three pillars"—high level dialogue, working level exchanges, and military technology cooperation.
- Through these three pillars, our two militaries were able to cooperate in many areas, and the result was a constant dialogue to promote understanding on a number of issues.
- Today, the pillar of military technology cooperation is something we can only work toward in the future. But the first two can be revived quickly. Except this time, we envision that the subjects discussed and the areas of cooperation would be different than in the past.
- Let me be more specific:
 - We want to have a dialogue with you on your security outlook, on our security outlook, in Asia and beyond.
 - We want to have some working level exchanges in a number of areas which contribute to professionalization and better mutual understanding.
 - We want to be able to work alongside each other in peacekeeping.
 - As I have said earlier, we want to cooperate in defense conversion.
 - We want to maintain a channel of communication with the PLA including at a high level, to work on problems that arise in bilateral relations on which we both can be of help.

- These five points are what I hope to discuss with you during these two days. I would like to start by engaging in an exchange of views with you on security matters. However, undoubtedly you have many ideas on what we should accomplish during these two days. Perhaps you could share with me your thoughts on how we should proceed.

(let Chinese speak)

IV- REGIONAL SECURITY

- Let me begin our exchange of views on regional security by giving you our views of some security issues which are of concern to both China and the United States and in which we share common goals.
- In the post-Cold War period, our common strategic interests are numerous. The Soviet Union may have disappeared, but regional tensions have risen. As members of PermFive, as nuclear powers, as powers with far-reaching political influences, and countries which need a strong economy, peace in many areas is difficult to achieve without the cooperation of China and the United States. We do not view China as a threat—we view China as a potential cooperative partner.
- In short, there is still a strategic basis for us to have a close bilateral relationship, with a vibrant military component.
- Let me turn to some of the most urgent issues where we share common interests.
- First and foremost in our minds has to be the *North Korea* nuclear issue. We are very appreciative of the help and advice China has given us thus far. We took your advice and began bilateral nuclear talks with North Korea in June.
- I must say that we are disappointed at the progress thus far, despite every effort on our part to explain in detail a number of incentives which are available at any time North Korea takes steps to resolve the nuclear issue.
- We have offered a suspension of Team Spirit 94; we have told the DPRK that we support the de-nuclearization policy of the Republic of Korea; we have assured North Korea that we will not use nuclear weapons to threaten it; we have indicated our willingness to discuss light water reactors, as they have requested.
- We have told North Korea that in the context of a resolution of the nuclear issue, we would consider scrapping all future Team Spirit exercises, encourage Japan and the Republic of Korea to begin economic talks with North Korea, and begin diplomatic dialogue with North Korea with the goal

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of improving relations. In short, many good things can happen if North Korea is willing to resolve the nuclear issue.

- But North Korea, other than suspending its withdrawal from the NPT, has not given us any reason to believe that it wants to fully resolve this issue. In fact, the steps North Korea is taking—or not taking as the case may be—are having the precise effect on North Korea that it hopes to avoid—i.e., it will feel more isolated and more threatened.
- If North Korea does not cooperate, we will not stop Team Spirit; Japan and the ROK will not provide economic assistance; we may have to re-think our nuclear deployment policy on the Korean peninsula; and Japan and the ROK may have to revise their defense planning calculations based on the North Korean nuclear threat. Most immediate of course, North Korea may soon face sanctions in the UN.
- I know that China does not want to see nuclear weapons on the Korean peninsula, and it does not want to see an nuclear arms race in Northeast Asia. China's strategic calculation would be much more complicated if North Korea persists in obtaining a nuclear weapon.
- Therefore, in support of worldwide non-proliferation and in support of your own strategic interests, you must agree that Pyongyang is pursuing a wrong-headed path and is seeing the "self-fulfilling prophecy" nature of its non-cooperation. The North Korean leaders are going about it exactly the wrong way if they want to preserve their system.
- I know that the PLA and the North Korean military maintain close ties. We have been told that the North Korean military is the most obstinate force in North Korea and is arguing against giving up that country's nuclear weapons program. I hope that you can persuade your military colleagues in Pyongyang that they are much more secure without nuclear weapons than with, and their country will do much better without nuclear weapons than with. The Department of Defense urges you to use your influence with the North Korean military on this matter.
- We are prepared to send an intelligence briefing team to Beijing very shortly to give you the latest assessment of North Korea's nuclear weapons program. I will have more to say about that later.
- If the dialogue which you advised and which we have patiently engaged in fails, we would have no choice but to return to the United Nations for further action which could culminate in sanctions. I would urge that you support that effort at that time. Your support would be in both of our interests.
- The second issue is *Cambodia*.

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- When we seek to answer the question of "why did peacekeeping succeed in Cambodia", we must highlight the support which regional states, especially China, gave to a negotiated settlement.
- China's role in the Core Group was critical to the success of this peacekeeping operation. China's own contribution to the peacekeeping force, and China's efforts to help keep Prince Sihanouk engaged in the process were of inestimable importance to the peacekeeping venture.
- In the aftermath of the election and the formation of the new Cambodian government, the KR remain a threat to the system. Cambodia requires a great deal of basic reconstruction and redevelopment work.
- Importantly, the future of the country is now in the hands of the Cambodians. UNTAC has given the Cambodians a good chance to succeed. We intend to support United Nations efforts to preserve the spirit of the Paris Agreement in Cambodia, and to assist in the task of reconstruction.
- China's close attention to this issue, and continued cooperation, will be an important part of the international effort to stand by the accomplishments of the United Nations in Cambodia.
- There is one area I would like to raise—that is, cooperation and accounting for our servicemen who are missing from the Vietnam War. 8 unaccounted-for Americans were lost in four incidents over Chinese territory during that conflict.
- President Clinton has made our efforts to account for our missing men one of his highest priorities. During a meeting here in Beijing last January and in Hawaii last March when a delegation from your government visited CINCPAC, we had an opportunity to discuss this issue in some detail.
- We very much appreciate the valuable assistance China has recently provided, which enabled us to determine that two of the missing men died as a result of the crash of their acft in 1967.
- We are pleased to hear that China has been seriously considering our proposal to jointly conduct—with your experts—surveys of the crash sites of the four incidents. These surveys could help us by either leading to the recovery of remains, or information as to why remains might not be recoverable.
- We look forward to your government's response to our proposal to jointly conduct site surveys. POW/MIA is one issue which is very emotionally charged in the United States, and where cooperation by the Chinese will be noticed immediately.

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- The third issue is *South Asia*. This is a volatile region where tensions have been nearly continuous in recent decades, leading to periodic conflicts. Halting the spread of weapons of mass destruction and their delivery systems in South Asia is a major U.S. policy objective.
- We believe deep-rooted Indo-Pak tensions and the mounting evidence that both sides have nuclear weapons make it imperative that all countries work to ensure that hostilities do not break out on the subcontinent.
- China should, in our view, also share this concern. An Indo-Pak war involving nuclear weapons and ballistic missiles would have a profound negative impact on Chinese interests in stability and economic growth in the region.
- The US believes that a regional approach to non-proliferation—in the context of heightened emphasis on global non-proliferation efforts—remains the best way to deal with these issues.
- We also see advantages in asking countries which have major interests in the region to participate in a multilateral approach to regional security and non-proliferation in support of direct Indo-Pak discussion.
 - For example, we have asked for Chinese participation in possible multilateral regional security and non-proliferation talks—based on the earlier 5-power proposal—which we are discussing with the Indians and Pakistanis. We encourage you to consider these talks seriously.
- We are also concerned by the spread of missiles in South Asia because we fear that this could initiate a new arms race in the region and result in deployment of rapidly deliverable, highly accurate, non-recallable WMD delivery systems.
 - As you know, we have encouraged Pakistan and India to consider our South Asia Ballistic Missile Initiative, which calls for no first deployment of ballistic missiles, a halt to development and purchasing of components for new systems, and development of a verification regime.
 - We believe that China should share our interest in halting the spread of these weapons systems, and we ask that you take an active role in urging both Pakistan and India to accept this initiative and consider what actions China might undertake in support of this initiative.
- The fourth issue is the *Middle East*. As you know, we are encouraged by the progress in the peace process that was reinvigorated this summer. I am sure Mr. Rabin explained to your leaders the details and how China could help.

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You have good relations with both sides, so your role is particularly important.

- Still, there are destabilizing regimes in the Middle East. In addition to Iraq, Iran and Libya come immediately to mind. I would urge you to be extra careful in deciding on arms sales to these countries. I take note of China's stated principles on arms sales, but some places deserve a stricter standard than others.
- I would like to hear your views on the issues I have touched on above.

V- DEFENSE PLANNING

- One of the problems arising from the absence of contacts and high level dialogue is the lack of understanding of what the PLA and the U.S. military are doing in terms of budget, planning, and strategic outlook. I would like to begin the process of gaining a better understanding of each other's thinking.
- As you know, we are undergoing some defense adjustments in the new administration. Our budget has been reduced significantly, and our strategic outlook has changed.
- You have no doubt heard of our "bottom-up review." Your Ambassador and your defense attache in Washington have both been briefed by the Defense Department. But I would like to take this opportunity to sketch for you a brief outline of the conclusions of the "bottom-up review".

(Present sketch presentation as found in TAB B, and then hand out printed copies of bottom up review)

- I hope you have a better understanding of our strategy. In turn, I am interested in your defense planning. Here are some of the questions we have:
 - How do you explain the continuing upward trend of your defense budget?
 - What areas of modernization are you emphasizing? Is it Army, Navy, Air Force, or training and logistics? What kind of equipment and technology are you pursuing?
 - Has there been any change in your security doctrine since the demise of the Soviet Union?
 - What kind of contingencies do you foresee which might require a military response?

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- I have one final question which helps us transition to the next part of our agenda. That is, what does the PLA hope to accomplish with a military relationship with the United States?

(let Chinese speak)

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(RADM Bowman will present briefing—TAB F, then ASD will continue)

PEACEKEEPING

- We are now engaged in several peacekeeping operations, and I know that China has also contributed to this type of operations.
- In the post-Cold War period, with many regional problems surfacing, we as members of the PERMFIVE have a special obligation to help the United Nations bring order to troublesome spots.
- In the future, there may very well be more occasions in which the PLA and the U.S. military may find themselves side-by-side in peacekeeping operations.
- Therefore, it would be prudent to prepare in advance for that eventuality by finding some way for us to practice together before a real event calls for our working alongside each other.
- I propose the following self-funded initiatives to accomplish this purpose:

(5a) Search and Rescue: very low political profile exercise with high payoff in developing interoperability regarding procedures, command and control and communications. Could be very small scale (1-4 acit and/or snups).

(5b) Logistics exercise: small scale staff exercise could focus on procedures and techniques of providing field logistics to PKOs in unfamiliar territory; could focus on provision of humanitarian assistance supplies to civilian populace.

(5c) Combined medical training exercise: could be similar to medical exercises we do with other nations—combined effort to provide basic medical care to rural population.

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(5d) Air traffic control exercise: could be developed around concept of establishing and running a PKO-support airfield. Transport acft from both U.S. and PRC. could conduct approach, landing, take-off operations under control of deployable air traffic control element.

- Our ability to work together in this cause will contribute to peace and stability in the world today.
- Perhaps RADM McDevitt or RADM Bowman could answer some questions you may have on these initiatives. In addition, we have developed some other ideas which the DAO will be discussing with you. We hope that with my trip, we can regularize the process by using, from now on, the DAO channel to pass initiatives or interests.
- This concludes my remarks on military initiatives. I will meet with COSTIND to discuss our concept of defense conversion cooperation (*COSTIND defense conversion talking points at TAB C*).
- In conjunction with defense conversion cooperation, there is one important final initiative which I would like to bring to your attention. Dr. Perry, our Deputy Secretary of Defense, is personally in charge of the defense conversion cooperation with China.
- In that capacity, when a joint U.S.-China Commission meets, Dr. Perry will be a co-chairman with a senior Chinese official. We envision the initial Commission meeting to take place in Beijing some time next spring. So we are proposing that Dr. Perry be able to visit Beijing on behalf of defense conversion and also, of course, to engage in a dialogue with your most senior military and government leaders.
- Therefore, an invitation by China to Dr. Perry to visit China next spring would be very appropriate.
- Before I conclude my remarks, I would like Deputy Assistant Secretary of Defense Wallerstein to brief you on the status of some export control issues.

(DASD Wallerstein will discuss our export control policy and run thru some export control issues--TAB E)

VII-CONCLUSION

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